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3 JUN 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM : James H. Taylor  
Comptroller

SUBJECT : Section 3 of PRM/NSC 11

1. You asked yesterday for an analysis of the options presented for discussion in Part III of the PRM 11. We understand that you found the paper confusing and an unsatisfactory basis for a discussion with the President on the issues raised. After carefully studying the paper, we certainly agree that the treatment of the options is confusing and that the paper itself could stand considerable improvement. From a tactical standpoint, however, this paper, as it stands, may provide you with a strong negotiating position. As you pointed out in our discussion, we may be able to use selectively parts of this paper as takeoff points to buttress your argument for line control options. When we finally unravelled the intertwined options and tracked through the analytical and descriptive sections, we realized that the paper contains persuasive, if disjointed, logic for centralization and puts forth line control options (5 and 6) that can be used as your "go for broke" position. From our perspective, the obvious weaknesses of this paper play to our strength. For example, in discussions with the President, Secretary Brown, and Dr. Brzezinski, you can be positive about the logic for centralization and strongly support two of the options. None of the other options make much sense to us. This tactic puts Secretary Brown in the unenviable position of either pushing for an unattractive option or embarrassing Dr. Brzezinski by stating that the paper poorly presents the options and is, therefore, an inadequate basis for discussion. Neither of these approaches would seem to be very promising avenues for Secretary Brown to select. The critique of the options in the attached paper is designed to help you exploit the tactical opening presented by PRM 11.

2. There are also important tactical considerations in deciding whether your first choice is a variation of Option 5 or Option 6.

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Because Options 5 and 6 are alike in giving to the DCI line control over the essential elements of the NFIP, a choice between them rests largely on your choice of tactics. We can envision two scenarios. You could press for Option 6 now, arguing the need for centralization and functional realignment of the Community for all the reasons we have discussed elsewhere. We believe it would be wiser, if you choose this course, to state in broad terms the organizational objectives you will seek to carry out as you proceed with the reorganization, rather than describing a detailed organization at this time. This would maximize your flexibility and make it more difficult for others to attack on organizational details which should not be allowed to cloud the large issues. Such objectives might include:

- The desirability of an integrated estimating and production organization directly responsible to you.
- The desirability of placing collection programs under unitary management with clear responsibility for maximizing the use of collection resources to meet intelligence needs of national and military customers.
- The need to build procedural arrangements that guarantee that all activities of intelligence are conducted in a legal and ethical manner.

3. If you adopted this strategy and encountered major opposition to a functional realignment, you could fall back to Option 5 and offer to consider functional realignment at a more deliberate pace and with the full participation of those who would be affected.

4. Alternatively, you could press now for line control without functional realignment, reserving the right to consider that later. Under this approach, a reasonable fall-back position is much harder to envision. One approach would be to argue for line control over

[REDACTED]

[REDACTED] Your reasons for giving way on some parts [REDACTED] might be that over the long term you believe that effective unified central management of CIA, NSA, and the [REDACTED] are more critical to your ability to meet national intelligence needs than is control over [REDACTED] and tactical COMINT collected by some CCP units. You also may want to consider giving DoD control over some clearly tactical portions of the NRP. In any event, your fall-back position, if you press first for Option 5, is less satisfactory.

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5. This memorandum and the attached paper represent a quick first cut on a very complex problem with complicated organization and political issues. We would like to meet briefly with you once you have had a chance to read our paper. Our ability to provide you with useful staff assistance would be improved by a few more sessions similar to the short meeting in your office on Thursday morning. ||



James H. Taylor

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Attachment:  
As stated

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